

CHAPTER XXV.

THE CRISIS OF 1907.

industrial Progress after 1893 in the United States and Europe — Economic Waste of the Wars in South Africa and the East — Great Output of Corporation Securities — Effect of the Increase in Gold Production — Bank Troubles in Germany— - Weaknesses of the American Financial Organization — The Stock Market Reactions of 1901 and 1903 — "The Silent Panic" of March, 1907 — The Bank Failures of October — Suspension of Currency Payments and Issue of Clearing-House Certificates— Treasury Measures of Relief — Conditions at the close of 1908.

ECO VERY from the crisis of 1893 ^{was} delayed in the United States by the uncertainty attending the Presidential election of 1896. The declaration of the regular Democratic convention of that year in favor of the free coinage of silver caused such anxiety among business men, who desired to adhere to the gold standard, that practically no new enterprises were undertaken or projected until, a few weeks before the election, it became certain that the Republican candidates, who stood upon a platform in favor of the existing gold standard, would be elected.

After the inauguration of President McKinley on March 4, 1897, confidence was gradually restored, and presently began a revival of business activity. Exports of merchandise, which amounted in the fiscal year 1896 to \$882,606,938, rose in 1898 to \$1,231,482,330; in 1900 to \$1,394,483,082; and finally, in 1906, after only moderate changes in intervening years, to \$1,743, 864,500, and in 1907 to \$1,880,851,078, Imports of merchandise, which in 1896 were only \$779,724,-674, did not feel the impulse of reviving prosperity until the